

Message Text

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TAGS: MARR, NATO, US

SUBJECT: PPC WORKING GROUP MEETING, LONDON,
MAY 28-29, 1975

1. FOLLOWING IS TEXT OF US REDRAFT OF PPC WORKING
GROUP CHAIRMAN'S PAPER "OPERATIONAL CONCEPT OF DSA/NWOO
REGARDING THE EMPLOYMENT OF TANKERS", REPRESENTING
GENERAL APPROACH AND SPECIFIC VIEWS WHICH US WOULD
LIKE TO SEE INCORPORATED IN FINAL AGREED PAPER:

2. BEGIN TEXT

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MEETING OF THE PPC WORKING GROUP AND MEMBERS OF THE USDA
STUDY GROUP, LONDON, MAY 28-29, 1975

NOTE BY THE US DELEGATIONS TO PPC AND THE PBOS

THE FOLLOWING US DRAFT REVISION OF THE PPC WORKING
GROUP CHAIRMAN'S NOTE ON THE "OPERATIONAL CONCEPT
OF THE DSA/NWOO REGARDING THE EMPLOYMENT OF TANKERS"
IS SUBMITTED BY WAY OF COMMENTARY ON THE PPC WORKING
GROUP CHAIRMAN'S NOTE. THE DRAFT PAPER SEEKS TO

TAKE INTO ACCOUNT PREVIOUS THINKING ON THE SUBJECT
AND IS REPRESENTATIVE OF THE GENERAL APPROACH AND
SPECIFIC FEATURES WHICH THE US WOULD LIKE TO SEE
INCORPORATED IN A FINAL AGREED PAPER.

OPERATIONAL CONCEPT OF THE DSA/NWOO WITH REGARD TO
THE EMPLOYMENT OF TANKERS

THE OIL DISTRIBUTION SYSTEM

-- 1. OIL PRODUCTION AND DISTRIBUTION ARE PARTS OF A
CONTINUOUS FLOW, OIL SUPPLY SYSTEM. TANKERS ARE AN
INTEGRAL PART OF THE DISTRIBUTION ELEMENT OF THE
SYSTEM AND MUST BE MANAGED OPERATIONALLY AS PART OF
THE TOTAL SYSTEM. TO PERMIT RELIABLE PROGRAMMING OF
THE SYSTEM AS A WHOLE, SUFFICIENT TANKER CAPACITY MUST
BE COMMITTED ON A CONTINUING BASIS.

-- 2. THE THREE FUNCTIONS OF WHAT IS TERMED AN OIL
"SUPPLY PROGRAM" ARE (SEE PPC WORKING GROUP CHAIRMAN'S
PAPER):

A. OIL PROGRAMMING

B. TANKER SCHEDULING

C. MARINE OPERATIONS

THE OIL PROGRAMMING FUNCTION IS A RESPONSIBILITY OF
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THE NOB'S AND THE NWOO. MARINE OPERATIONS ARE A
RESPONSIBILITY OF THE NSA'S AND THE DSA. THE
PROBLEM IN DEFINING THE OPERATION CONCEPT OF THE
DSA/NWOO LIES IN ESTABLISHING HOW THE TANKER
SCHEDULING FUNCTION WILL BE CARRIED OUT.

-- 3. THE PETROLEUM PLANNING COMMITTEE (PPC) AND
THE PLANNING BOARD FOR OCEAN SHIPPING (PBOS) ASSUME THAT

NEITHER NATIONAL AUTHORITIES NOR NCWA'S WOULD CENTRALLY MANAGE ON A DAY-TO-DAY BASIS THE WORK WHICH IS DONE BY COMMERCIAL FIRMS IN PEACETIME. HOWEVER, EACH NATION IS EXPECTED TO DETERMINE THE DEGREE OF CONTROL IT WILL EXERCISE IN CRISIS AND WARTIME OVER ITS OIL AND TANKER OPERATIONS AND TO RELY UPON THE COMMERCIAL OIL AND TANKER FIRMS TO EXECUTE THE NATIONALLY APPROVED OIL PRODUCTION AND DISTRIBUTION PROGRAMS.

ROLES OF THE DSA AND NWO

-- 4. UNTIL THE DSA COMES INTO FULL OPERATION, THE MANAGEMENT OF SHIPS, WHETHER OR NOT ENTERED IN THE DSA SHIPPING POOL FOR RECORD AND INSURANCE PURPOSES, WILL BE A NATIONAL RESPONSIBILITY. AFTER IT COMES INTO FULL OPERATION, THE DSA WILL BE RESPONSIBLE FOR MANAGING ALL ALLIANCE SHIPPING ENTERED IN THE POOL.

-- 5. THE PRINCIPAL NWO ROLE WILL BE TO EFFECT COOPERATION AND COORDINATION, ON AN INTERNATIONAL BASIS, OF THE NATIONAL OIL SUPPLY PROGRAMS WHICH THE NATIONS BRING TO THE NWO TO BE BALANCED OUT FOR THE OVERALL BENEFIT OF THE ALLIANCE.

-- 6. THE DISTINCTION BETWEEN NCWA OPERATIONS IN OIL AND SHIPPING FIELDS IS THAT, WHILE THE NWO COORDINATES THE MATCHING OF SURPLUSES AND SHORTAGES BY RECOMMENDING ADJUSTMENTS OF NATIONAL PROGRAMS, THE DSA CONTROLS SHIPS AND DIRECTS THEIR EMPLOYMENT.

ROLES OF THE NOB'S AND NSA'S
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-- 7. WHEN THE NSA'S COME INTO BEING, EACH IS EXPECTED TO TAKE CONTROL OF ALL ITS NATIONAL SHIPPING AND TO ENTER ITS SHIPS IN THE DSA POOL, FOR CENTRAL PROGRAMMING AND ALLOCATION IN THE BEST INTERESTS OF THE ALLIANCE.

-- 8. IT CAN ALSO BE ASSUMED THAT WHETHER THE CENTRAL GOVERNMENT OR COMMERCIAL INTERESTS OWN THE OIL WHEN THE NOB'S ARE ACTIVATED, EACH NOB WILL BE RESPONSIBLE FOR OVERALL MANAGEMENT OF ITS NATIONAL PROGRAM, INCLUDING THE EXERCISE OF CONTROL OVER OIL IMPORTED INTO AND EXPORTED FROM ITS COUNTRY. THE NOB IS EXPECTED TO DETERMINE HOW MUCH OF ITS REQUIREMENTS CAN BE MET FROM RESOURCES UNDER ITS CONTROL (I.E.,

DOMESTIC PRODUCTION AND NON-NATO PROCUREMENTS), HOW MUCH IT MUST SEEK FROM NATO SOURCES, AND WHAT RESOURCES IT CAN SHARE WITH OTHER NATO NATIONS; AND TO ADJUST ITS NATIONAL PROGRAM, AS IT DETERMINES TO BE APPROPRIATE, IN RESPONSE TO NWOOS SUGGESTIONS.

-- 9. THE NOB'S OR THEIR AGENTS WILL BE THE CHARTERERS OF TANKERS WITHIN THE NATIONAL FRAMEWORK. NSA'S WILL BE THE ORIGINAL CHARTERERS OF SHIPS FROM THE DSA POOL AND WILL RECHARTER THEM TO OIL COMPANIES OR OTHER OPERATING AGENTS.

TANKER OPERATIONS

-- 10. TANKERS ARE, IN GENERAL, SINGLE PURPOSE SHIPS. THEIR EMPLOYMENT IN CRISIS AND WARTIME WILL BE A CONTINUATION OF PEACETIME EMPLOYMENT, AS FAR AS MAY BE POSSIBLE. TO PERMIT CONTINUING COMMITMENT TO PEACETIME-TYPE EMPLOYMENT, THE DSA, WHEN IT HAS ENTERED SHIPS IN THE DSA POOL AND WITH THE IIO, WILL BLOCK ALLOCATE THEM BACK TO THE NSA OF THE COUNTRY OF REGISTRY OR, FOR NON-NATO FLAG TANKERS, OF SPONSORSHIP. BLOCK ALLOCATION TO NSA'S WILL PERMIT THE NSA'S TO REALLOCATE THE TANKERS TO THE OIL COMPANIES LOCATED IN THEIR RESPECTIVE COUNTRIES. THIS WILL ENABLE THE NATIONAL SUBSIDIARIES OF INTERNATIONAL

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OIL COMPANIES TO MAKE SHIPS AVAILABLE ON A RELIABLE CONTINUING BASIS TO COMPANY CENTRALIZED OR DECENTRALIZED SCHEDULING FOR COORDINATED VOYAGE PLANNING, AS IN PEACETIME. IT WILL BE UP TO NATIONAL AUTHORITIES, WORKING THROUGH OIL COMPANIES LOCATED IN THEIR COUNTRIES, TO MANAGE AVAILABLE SHIPPING.

RELATIONSHIP BETWEEN THE DSA AND THE NWOOS

-- 11. NEITHER THE DSA NOR THE NWOOS CAN MANAGE ITS PART OF THE NATO WARTIME OIL SUPPLY AND DISTRIBUTION PROGRAM INDEPENDENTLY. IT IS THEIR COMMON TASKS TO COOPERATE IN THE NATO-LEVEL COORDINATION OF TANKER SCHEDULING.

-- 12. THE DSA HAS, IN EFFECT, RELINQUISHED DAY-TO-DAY OPERATIONAL MANAGEMENT OF TANKERS (SUBJECT TO OVERSIGHT TO ENSURE EFFECTIVE AND EFFICIENT EMPLOYMENT) BY ADOPTING THE BLOCK ALLOCATION CONCEPT.

-- 13. THE NWOOS MUST RELY UPON NATIONAL AUTHORITIES TO SCHEDULE TANKERS TO CARRY OUT THE COORDINATED

NATIONAL AND NATO OIL PROGRAMS.

-- 14. AS A CONSEQUENCE OF 12 AND 13, IT WILL BE THE RESPONSIBILITY OF THE NOB'S AND NSA'S TO WORK OUT ARRANGEMENTS FOR TANKER SCHEDULING TO EXECUTE NATIONAL OIL AND SHIPPING PROGRAMS, USING COMMERICAL OIL COMPANIES AS AGENTS TO THE EXTENT AND IN THE WAY DETERMINED AT THE NATIONAL LEVEL TO BE DESIRABLE. HAVING ESTABLISHED THE ABOVE RELATIONSHIPS, IT MUST BE DETERMINED WHAT RELATIONSHIPS, ADMINISTRATIVE AND OPERATIONAL, SHOULD EXIST BETWEEN THE DSA AND NWO. FOR THIS PURPOSE, THE PBOS AND THE PPC HAVE DEVISED THE COMBINED OIL TANKER (COT) GROUP CONCEPT TO COORDINATE THE OPERATIONS AND INTERESTS OF THE DSA AND NWO. THOUGH THE CONCEPT OF OPERATIONS OF THE COT GROUP HAS NOT BEEN DEVELOPED IN DETAIL, THE COT GROUP SHOULD BE A PERMANENT BODY MADE UP OF OIL AND TANKER EXPERTS FROM THE TWO NCWA'S AND SHOULD BE ORGANIZED TO PROVIDE:

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(1) A TANKER PLOTTING ELEMENT, TO MAINTAIN DISPLAYS OF INFORMATION FURNISHED BY NATIONAL SHIPPING AUTHORITIES.

(2) AN OIL SUPPLY PLOTTING ELEMENT, TO MAINTAIN DISPLAYS OF INFORMATION FURNISHED BY NATIONAL OIL AUTHORITIES RELATING TO AVAILABILITIES AND REQUIREMENTS.

(3) AN ELEMENT TO DEAL WITH OIL MOVEMENT COORDINATION PROBLEMS ARISING BETWEEN NATIONAL PROGRAMS. THIS ELEMENT SHOULD FUNCTION AS A COMBINED GROUP OF EXPERTS UNDER DIRECTION OF THE COT COORDINATOR, NOT AS REPRESENTATIVES OF THE DSA AND NWO PER SE.

(4) AN INDIVIDUAL EXPERIENCED IN OIL SUPPLY AND MOVEMENT MANAGEMENT WHO, AS COT GROUP COORDINATOR, WOULD REPORT TO THE NWO AND DSA.

END TEXT

3. ACTION REQUESTED: THAT ABOVE TEXT BE DISTRIBUTED TO CONFEREES AT SUBJECT MEETING OR PRIOR TO MEETING IF POSSIBLE.

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